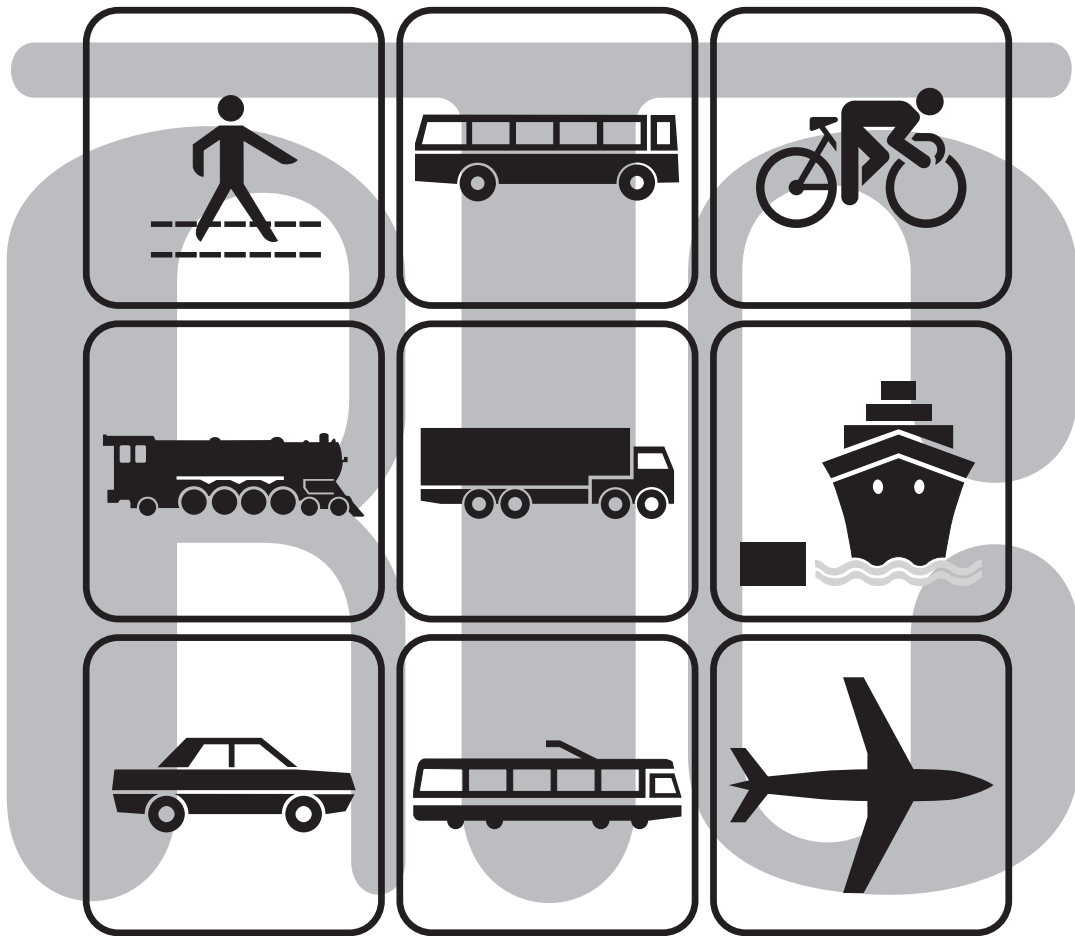


# **Metropolitan Transportation Plan for Clark County**



**Updated: December 2002  
Amended: December 2003**

**Southwest Washington Regional Transportation Council**

## **CHAPTER 4**

# **FINANCIAL PLAN**

### **OVERVIEW**

Federal rules require that the MTP be “fiscally constrained” meaning that there must be a reasonable expectation that revenues will be available to provide for the estimated costs of implementing the 20-year list of projects contained in the MTP and to support the operations and maintenance of the multimodal transportation system. The MTP Finance Plan focuses on the Designated Regional Transportation System.

Potential transportation projects proposed in this Plan are intended to meet the MTP policy objective of making the most efficient use of and enhancing the existing transportation system. The potential highway, transit and non-motorized recommendations are designed to meet transportation planning goals addressed in MTP Chapter 1.

The availability of federal, state and local moneys will have a significant impact on the ability to fund proposed projects. Demands on the transportation system have grown significantly over the past 20-years. In the last two decades, Washington state population has increased by 43%, jobs have increase by 58% registered vehicles have increased by 57% and vehicle miles traveled has seen an 88% increase. , In this same two decades, personal income grew, on average, by 110% but the share of each dollar of personal income invested by the state in transportation facilities has fallen by more than half.

This chapter describes revenue sources and discusses changes to revenue sources as a result of federal and state legislation. The projection of funding ability is based on historic funding levels. The ability of the projected funding to meet MTP costs is determined.

Transportation has traditionally been funded by “user fees”. Today, the major tax sources to fund transportation are the gas tax, vehicle licenses, permits and fees as well as transit fare box revenues. The Motor Vehicle Excise Tax (MVET) was eliminated after passage of Initiative-695 in 1999. Gas tax is imposed at the Federal level (\$0.184 per gallon) which works out to cost the average motorist about \$98 per year and at the State level (\$0.23 per gallon) which costs the average motorist \$125 per year. The gas tax revenue is devoted primarily to highway purposes. At \$0.23 cents per gallon, Washington State had the 23<sup>rd</sup> highest gas tax in the nation as of December 2001.

### **ACCOMPLISHMENTS SINCE LAST MTP**

The Finance Plan component of the MTP last received a comprehensive update in the 1998 MTP amendment. Since that time several significant regional transportation system capital improvement projects have been completed or are nearing completion in the Clark County region. In the past 3 years alone, 2000-2002, \$178 million of regional highway system projects have been constructed in Clark County. If this trend continues, the region could anticipate over \$1.1 billion in funding for regional highway capital projects over the next 20 years. However, transit service funding in Washington State has received a setback with the 1999 elimination of the Motor Vehicle Excise Tax (MVET) as a funding source.

## **ASSUMPTIONS**

- The Finance Plan addresses a twenty-year period.
- Data on which to base the Finance Plan is from the past decade from WSDOT Economics Branch as well as MTP project cost estimates by WSDOT, local agencies and jurisdictions.
- The level of transit service assumed to be in place by 2023 assumes that an additional 0.3% (three-tenths of a percent) sales tax, or equivalent funding, is in place to help provide for the cost of transit service.

## **CURRENT REVENUE SOURCES**

Revenues for transportation system development are available from federal, state, local and private sources. Funding sources that have been historically available will be extrapolated into the future to provide an estimate of the resources reasonably expected to be available. It is assumed that funds that have traditionally been available for transportation will continue to be available. For example, it is assumed that federal Demonstration funds will continue to be available.

## **FEDERAL FUNDING**

The federal funding picture changed significantly with the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 and its successor, the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), passed in 1998. Funding programs in ISTEA and TEA-21 allow much greater flexibility in the way money may be used. The federal funding programs now have a multimodal emphasis especially the Surface Transportation Program, which gives regions greater independence to invest in alternate modes of travel, including capital transit projects, such as High Occupancy Vehicle (HOV), Light Rail Transit (LRT), and park and ride facilities. ISTEA was considered landmark legislation because of this and because it enhanced the role of the Metropolitan Planning Organization in the programming, planning, and prioritization of STP funds. The Act also established Transportation Management Areas (TMAs) and made funding available for transportation projects to help regions meet air quality standards. A new federal funding Act should be approved by 2004 and is anticipated to be similar to TEA-21. A brief description of the existing funding programs available through the federal Act follows.

### **Interstate Maintenance (IM) Program**

The Interstate Maintenance (IM) program is similar to the former FAI-4R program and is intended for projects to rehabilitate, reconstruct, restore, and resurface the Interstate System. IM funds may not be used for new travel lanes, other than High Occupancy Vehicle lanes or auxiliary lanes or reconstruction. Six-year funding, 1998 through 2003, is set at \$23.8 billion, nationwide. The Washington State apportionment is \$505 million over six years as outlined in Table 4-1 below.

## National Highway System (NHS)

National Highway System (NHS) was a new funding category in ISTEA. It established a National Highway System that consists of major roads in the U.S. including the interstate system; other routes identified for their strategic defense characteristics; routes providing access to major ports, airports, public transportation and intermodal transportation facilities; and principal arterials that provide regional service. Funding in this category may be used for a wide variety of projects. In addition to roadway construction, operational and maintenance improvements, eligible projects include: start-up for traffic management and control, infrastructure-based intelligent transportation system capital improvements, fringe and corridor parking, carpool and vanpool projects, bicycle and pedestrian projects, and wetlands and natural habitat mitigation. In certain circumstances, transit projects in the corridor are also allowed if they benefit the NHS facility. Publicly-owned intracity and intercity bus terminals are also eligible. In addition, states have the option to shift 50% of the money to the STP category, which has greater project flexibility. The funding level for the NHS program is \$28.6 billion nationwide for the six years, 1998 through 2003. Estimated Washington State apportionments are outlined below:

**Table 4-1: Estimated Washington NHS Allocations (in millions \$)**

<b>ESTIMATED WASHINGTON NHS ALLOCATIONS (IN MILLIONS \$)</b> (Note: The amounts shown below are authorized amounts; appropriated amounts are lower)	
	<b>TOTAL: Federal Fiscal Years 1998-2003</b>
Interstate Maintenance	\$505.0
National Highway System	\$565.0
<b>Totals</b>	<b>\$1,070.0</b>

Source: WSDOT web site: <http://www.wsdot.wa.gov/KeyFacts/FedHiwayProg.htm>

## Surface Transportation Program (STP)

The Surface Transportation Program (STP) is a flexible, intermodal program similar to a block grant program. Generally, it can be used for any road or bridge except for local roads or rural minor collectors, although a portion of the funds reserved for rural areas may be spent on rural minor collectors. In addition to eligibility for operational and capacity improvements to roadways, it allows for the programming of transit capital projects, intracity and intercity bus terminals, carpool projects, fringe and corridor parking, capital and operating costs for traffic monitoring, management or control, transportation enhancements, transportation planning, and transportation control measures for air quality. If an area has been designated a Transportation Management Area, as the Vancouver region has, money cannot be spent on road capacity improvements for general purpose traffic unless the improvements are part of an overall Congestion Management Plan.

Of the money received by the state, 10% must be set aside for safety projects such as hazard elimination and 10% for transportation enhancements such as pedestrian and bicycle facilities. Total funding for the STP is \$33.3 billion nationwide. Table 4-2 outlines estimated STP funding

available within the state of Washington for the extent of the TEA-21 (1998-2003). In Washington State federal STP program funds require a 13.5% local match.

**Table 4-2: Estimated Washington STP Allocations (in millions \$)**

ESTIMATED WASHINGTON STATE STP ALLOCATIONS (IN MILLIONS \$) (Note: The amounts shown below are authorized amounts; appropriated amounts will be lower)	
	TOTAL: Federal Fiscal Years 1998-2003
Enhancements	\$73.0
Safety	\$73.0
Urban Areas	\$201.0
Areas Under 200,000	\$163.0
Statewide Flexible	\$380.0
Totals	\$890.0

Source: <http://www.wsdot.wa.gov/KeyFacts/FedHiwayProg.htm>

The following outlines the subprograms that are available:

Regional Allocation: Available to cities, counties, and other public agencies on a county basis. Projects must be on a federal functionally-classified route of a rural major collector or above, except for planning studies and enhancement projects. RTC selects projects for funding in cooperation with local jurisdictions and agencies.

Statewide Competitive: Available to all public agencies. Criteria for selection include Multimodal, Innovation, Mobility, Economic Development, Environmental, Financial, Preservation, and Customer Sensitivity/Safety. The State selects and prioritizes projects for funding.

Enhancements: Available to all public agencies. For non-motorized transportation, beautification, scenic highways, pedestrian, and bike facilities. Projects to be submitted to the State for consideration are prioritized by RTC in cooperation with local jurisdictions and agencies. The State selects and prioritizes projects for funding.

Safety: Available for cities and counties to improve safety. There are three programs under safety. (1) Railway/Highway Crossings funds are available to reduce fatalities, injuries, and damages through improved railway crossings. (2) Hazard Elimination funds are available to improve specific locations which constitute a danger to vehicles or pedestrians as shown by frequency of accidents. (3) High Accident Potential funds are to reduce a potentially unsafe situation. The costs are shared approximately 90% federal, and 10% local match. The State selects and prioritizes projects for funding.

### **Congestion Mitigation and Air Quality Improvement Program (CMAQ)**

Congestion Mitigation/Air Quality (CMAQ) funds are specifically targeted for air quality non-attainment and maintenance areas for ozone, carbon monoxide (CO) and small particulate matter (PM-10) to implement projects and strategies which reduce transportation related emissions; to implement Transportation Control Measures (TCM's) listed in Section 108 of the Clean Air Act, or the State Implementation Plan, or that the Department of Transportation or the Environmental Protection Agency has determined will contribute to attainment and maintenance of National Ambient Air Quality Standards (NAAQS). Money in this fund is apportioned by population and weighted by the severity of pollution. Funds in this category cannot be used for new highway capacity. However, construction of high occupancy vehicle lanes are allowed with the understanding that capacity may be used by single occupancy vehicles during the non-rush hour period. The Clean Air Act Amendments of 1990 require that highest priority be given to the implementation of the transportation portions of applicable SIP's and TCM's for applicable SIP's. Total 1998 through 2003, six-year, funding for this program is \$8.1 billion nationwide. The state of Washington should receive \$144 million for the six-year period from Federal Fiscal Year (FFY) 1998 through FFY 2003. An average of \$24 million per federal fiscal year is to be used in the areas of Washington state with air quality problems; Seattle, Vancouver, Spokane and Yakima. RTC is one of the MPO's, statewide, that receives CM/AQ funds.

### **Bridge Replacement and Rehabilitation Program (BRRP)**

The Bridge Replacement and Rehabilitation Program (BRRP) provides funds to assist states in replacement and rehabilitation of deficient highway bridges and to seismic retrofit bridges on any public road. The nationwide program provides \$20.4 billion in funding from 1998 through 2003. Within Washington State, about \$643 million should be received for bridge projects from 1998 through 2003. Distribution of Bridge funds to individual bridge replacement projects for local agencies is governed by policies established by the Bridge Replacement Advisory Committee (BRAC). The costs are shared approximately 80% federal, and 20% local match.

### **High Priority (Demonstration) Projects**

TEA-21 provides funding for High Priority Projects throughout the nation as identified by Congress. TEA-21 includes 1,850 such projects costing a total of \$9.4 billion. The state of Washington should receive \$199 million in Demonstration funds during the life of TEA-21 Act (1998-2003) and Clark County is in receipt of High Priority funding as follows: \$4 million to the Mill Plain Extension west to the Port of Vancouver and \$4.721 million to the 192<sup>nd</sup> Avenue corridor in east county.

### **Intelligent Transportation System (ITS) – Deployment Incentives Program**

Federal funds are available to accelerate the implementation of Intelligent Transportation System (ITS) projects in metropolitan and rural areas. The program includes ITS Integration, ITS Commercial Vehicle Operations Deployment and Overall ITS Deployment. ITS funds are for improvement of transportation efficiency, promotion of safety, traffic flow increase, reduction of air pollutant emissions, improvement of traveler information, enhancement of alternative

transportation modes, further development of existing Intelligent Transportation System projects and promotion of tourism. The ITS Integration Program was authorized for \$482 million nationwide in funding from 1998 through 2003 and the ITS Commercial Program was authorized for \$184.1 million nationwide. Federal ITS funding must not exceed 50% of the total project cost.

### **Transportation and Community and System Preservation Pilot (TCSP)**

The Transportation and Community and System Preservation Pilot (TCSP) program is a comprehensive initiative of research and grants to investigate the relationships between transportation and community and system preservation and private sector-based initiatives. States, local governments, and metropolitan planning organizations are eligible for discretionary grants to plan and implement strategies that improve the efficiency of the transportation system; reduce environmental impacts of transportation; reduce the need for costly future public infrastructure investments; ensure efficient access to jobs, services, and centers of trade; and examine private sector development patterns and investments that support these goals. A total of \$120 million is authorized for this program for FYs 1999-2003. Clark County received TCSP funds to investigate the impacts of concurrency and Growth Management on implementation of the comprehensive plan.

### **Job Access and Reverse Commute (JARC)**

The federal Transportation Act creates a new program for Job Access and Reverse Commute (JARC) grants. The program is funded for FYs 1999-2003 with \$400 million from the Mass Transit Account. An additional \$350 million from the General Fund must be appropriated before it becomes available. The twofold purpose of the program is (1) to develop transportation services designed to transport welfare recipients and low-income individuals to and from jobs, and (2) to develop transportation services for residents of urban centers and rural and suburban areas to suburban employment opportunities. Emphasis is placed on projects that use mass transportation services. In 2002, C-TRAN was successful in obtaining \$718,500 in JARC funds to implement innovative service to enhance employment access to the industrial and commercial area of East Vancouver/Camas.

### **National Corridor Planning and Border Infrastructure Programs**

The new National Corridor Planning and Development program provides funds for the coordinated planning, design, and construction of corridors of national significance, economic growth, and international or interregional trade. Allocations may be made to corridors identified in Section 1105(c) of ISTEA and to other corridors using specified considerations. The Coordinated Border Infrastructure program is established to improve the safe and efficient movement of people and goods at or across the U.S./Canadian and U.S./Mexican borders. A total of \$700 million is provided for these efforts for FYs 1999-2003. Funds from the National Corridor Planning program provided funding to carry out the Portland-Vancouver I-5 Transportation and Trade Partnership in 2001/02.

### **Community Development Block Grant (CDBG)**

Community Development Block Grant (CDBG) funds are administered by the Department of Housing and Urban Development (HUD). Grants are targeted at low and moderate-income areas. Transportation projects that use CDBG funds are usually sidewalk projects and small capital improvements.

### **Public Lands Discretionary**

The intent of the Public Lands Highways Program is to improve access to and within the Federal lands of the nation. This program can be used for road improvements, transportation planning, parking, interpretive signage, acquisition of scenic easement and sites, pedestrian and bicycle facilities, rest areas, and other public road facilities. Roads need to be within, adjacent to, or provides access to Federal lands.

## **STATE FUNDING**

The State gas tax is the major state revenue source for highway maintenance and arterial construction funding. Some of the programs funded by these revenues are described below:

### **Transportation Improvement Board (TIB) Programs**

The Transportation Improvement Board (TIB) invests State Gas Tax funds in local communities through five grant programs (see Table 4-3) serving cities, urban counties and transportation benefit districts in Washington State. The TIB identifies and funds the highest-ranking transportation projects based on criteria established by the Board for each program.

Funding for the Transportation Partnership Program (TPP) comes from the Transportation Improvement Account (TIA) established in 1988 to improve the mobility of people and goods in Washington State by supporting economic development and environmentally responsive solutions to our statewide transportation system. TIA revenues for the 2001-2003 biennium are estimated at \$82.9 million statewide. The TIB encourages projects that are coordinated among government agencies and provide for public/private participation. The urban program requires a minimum 20% local match.

The Arterial Improvement Program (AIP), the City Hardship Assistance Program (CHAP), the Pedestrian Safety and Mobility Program (PSMP) and the Small City Program (SCP) are funded from the Urban Arterial Trust Account (UATA). The UATA was established in 1967 to fund transportation projects for urban cities and urban counties that will reduce congestion, strengthen the structural ability to carry traffic loads, address roadway width deficiencies, provide improvements to reduce accident rates, and implement traffic management to maximize mobility of people and goods. The grant programs fund the design and construction of city and county roadways. UATA revenues for the 2001-2003 biennium are estimated at \$112.1 million statewide.



Table 4-3 below summarizes the five TIB funding programs and provides an overview of funding received by Clark County from TIB programs over the years.

**Table 4-3: Transportation Improvement Board Funding Programs**

<b>TRANSPORTATION IMPROVEMENT BOARD FUNDING PROGRAMS</b>			
<b>Funding Program</b>	<b>Eligible Agencies</b>	<b>Type of Projects</b>	<b>TIB Program Funds to Clark County 1989 to 2003</b>
Transportation Partnership Program (TPP)	Urban Counties, Cities > 5,000 Population, Transportation Benefit Districts	Regionally Significant, Improve Mobility and Economic Dev., Multi-Jurisdictional, Multi-Modal, Public/Private Coop.	\$74,641,047
Arterial Improvement Program (AIP)	City and County Arterial Streets (within Federal Urban Area Boundary)	Improve Mobility, Safety, Address Geometric and Structural Deficiencies	\$32,406,514
Small City Program (SCP)	Incorporated Cities with Population < 5,000 Requires minimum 5% local match; no match for cities < 500	Address Structural Condition, Lane and Shoulder Width Deficiencies, Safety Issues	\$2,068,414
Pedestrian, Safety & Mobility Program (PSMP)	Urban and Small City	Enhance and Promote Pedestrian Mobility, Safety, System Continuity and Connectivity	\$1,466,293
City Hardship Assistance Program (CHAP)	To offset extraordinary costs associated with the transfer of state highways to cities with population under 20,000	Pavement Condition, Accident Experience and Relationship to Other Local Agency Projects	\$249,654
			\$110,831,922
Federal ISTEA/TEA-21 Local Match			\$1,796,320

In addition to the five funding programs (TPP, AIP, SCP, PSMP, CHAP), the TIB has also provided matching funds for some federally funded local projects. From 1994 to 2000, TIB provided \$1.796 million in local matching funds for federally funded local projects in the Clark County region. The funding support continues as three sub-programs of the Small City Program (SCP). The BRAC Sub-Program provides the required 20% matching funds to projects selected by the Bridge Replacement Advisory Committee (BRAC) for federal funding. The TEA-21 Sub-Program typically provides the 13.5% local match for eligible projects awarded TEA-21 funding. The FEMA/ER Sub-Program typically provides 12.5% of the eligible FEMA projects and 13.5% of the eligible FHWA/ER projects. The TIB funds are made available following approval of the federal funds.

The TIB also reviews and recommends route jurisdiction changes under the Route Jurisdiction Transfer (RJT) program.

### **County Road Administration Board (CRAB)**

The County Road Administration Board was created by the Legislature in 1965 to provide statutory oversight of Washington's thirty-nine county road departments. The County Road Administration Board (CRAB) manages two grant programs to assist counties in meeting their transportation needs.

### **Rural Arterial Program (RAP)**

The Rural Arterial Program (RAP) is funded by fuel tax revenues and is available for road and bridge reconstruction funding on a competitive basis. Proposed projects for this program are rated by a specific set of criteria including (1) structural ability to carry loads, (2) capacity to move traffic at reasonable speeds, (3) adequacy of alignment and related geometrics, (4) accident rates and (5) fatal accident rates. The account generates approximately \$37 million per biennium.

### **County Arterial Preservation Program (CAPP)**

The County Arterial Preservation Program (CAPP) helps counties to preserve their existing paved arterial road networks. Funding is provided to counties as direct allocation based on paved arterial lane miles. The program generates approximately \$26 million per biennium.

### **Community Economic Revitalization Board (CERB)**

The Community Economic Revitalization Board (CERB) was established by the legislature to make loans and/or grants for public facilities, including roads, which will stimulate investment and job opportunities, reduce unemployment, and foster economic development.

### **Public Works Trust Fund (PWTF)**

The Public Works Board was created by the 1985 legislature. The mission of this Board is "to assist Washington's local governments and private water systems in meeting their public works needs to sustain livable communities." The Public Works Trust Fund (PWTF) provides low interest loans to local governments for infrastructure improvements and is funded by utility taxes. These loans have a 5-year term for pre-construction and 20-years for construction with an interest rate of one-half percent.

### **Washington State Department of Transportation**

WSDOT administers many transportation related grants that are available to agencies. However, many of these programs are dependent on the legislature allocating funding. The following is a brief list of these programs.

Airport Aid Grant Program: The purpose of this program is to assist airport in funding capital improvement projects. Revenues for this program are collected through a 7-cent per gallon tax on general aviation fuel.

Freight Rail Assistance Program: The purpose of this program is to acquire, rehabilitate, or improve rail lines throughout the state, in order to preserve them for future use.

Main Street Pavement Program: The purpose of this program is to establish and promote an on-going pavement maintenance system in cities with a population under 10,000.

Rural & Special Needs Public Transportation Program: The purpose of this program is to fund capital and operating assistance for rural public transportation. This program combines both state and federal funds.

School Safety Enhancements: The purpose of this program is to fund capital projects for traffic and pedestrian safety improvements near schools.

City and County Congested Corridor Program (CCP): A primary transportation goal within Washington State is to address congestion problems. The intent of the CCP is to improve the mobility of people and goods in the state by supporting economic development and environmentally responsive solutions to transportation needs. Urban counties and cities with more than 5,000 people are eligible. The Transportation Improvement Board (TIB) is to select projects in this Program based on criteria that includes Congestion Relief, Funding Partners, Mode Accessibility, Safety and Corridor Continuity. The Program requires a minimum 20% local match. However, Program funding was contingent on passage of Referendum-51 that failed in November 2002.

## **LOCAL FUNDING**

Local revenue comes from a variety of sources such as property tax for highway projects and sales tax for transit projects. Other revenues include moneys from street use permits, gas tax, utility permits, and impact fees.

### **Property Tax**

Some local County transportation revenues come from property taxes. For example, Clark County's total property tax assessment is about \$14.40 per \$1,000 of assessed value of which about \$2.25 is dedicated to the road fund.

### **Arterial Street Fund**

This is the distribution of the state gasoline tax to cities and counties based on each jurisdiction's population.

## **Transportation Impact Fees**

Transportation impact fees were authorized in HB 2929 by the 1990 Legislature to address the impact of development activity on transportation facilities. Jurisdictions within Clark County have established Transportation Impact Fee programs and are periodically reviewed.

## **TRANSIT REVENUES**

Revenue sources that have been described above are intended exclusively for highway investment or have the flexibility to be used for highway/transit funding. Transit systems are also funded by fare box proceeds, federal funds and other local funds. This section will address revenue sources specifically for the purpose of funding transit needs. C-TRAN is the Public Transportation Benefit Area (PTBA) for the Clark County region. As such it has the authority to impose an additional local sales tax to support operations.

### **Federal**

The Surface Transportation Program of ISTEA places much greater emphasis on intermodal flexibility and allows those funds to be used for transit capital projects. In addition, National Highway System funds can be used on alternative arterials or transit projects within the NHS corridors if there is a direct benefit to an NHS facility. C-TRAN was expected to receive about \$6.8 million from federal sources in 2001.

### **Sales and Use Tax**

C-TRAN's major revenue source is a 0.3% sales and use tax that was approved in 1990. C-TRAN is projected to receive \$12.9 million in revenues from this source in 2002. The tax rate could be raised to as much as 0.9% to use for operation, maintenance and capital needs of transit districts.

## **POTENTIAL TRANSPORTATION REVENUES**

The revenue sources described in this section are programs approved by the State Legislature which authorize jurisdictions to impose fees at the local level for specific transportation infrastructure categories with voter approval. These programs have not been instituted in this region, but could be imposed in the future.

### **Local Option Vehicle License Fee**

A local option fee of up to \$15 per vehicle can be imposed at the county level and can be used for general transportation including: public transportation, high capacity transportation, transportation planning and design, and other transportation related activities. Douglas, King, Pierce, and Snohomish counties imposed the fee. A maximum \$15 local license fee could generate up to \$4.6 million per year in revenues within Clark County. In November 2002, voters passed Initiative Measure 776 to eliminate the optional fee.

### **Local Option Fuel Tax**

A local option fuel tax of up to 10% of the statewide motor vehicle fuel tax may be imposed by the county with voter approval; this would amount to a 2.3 cents per gallon local option. Revenue from this source must be used for highway purposes including: construction and maintenance of city streets, county and state roads, and related activities. This could raise an estimated \$3.5 million per year.

### **Commercial Parking Tax**

The county or city may impose, subject to exclusive referendum procedure, a tax on the commercial parking business to be used for general transportation purposes. The tax could be based on gross proceeds or number of stalls, or on the customer. Some cities in the Puget Sound region, e.g. Bainbridge Island, Bremerton, Marysville, Mukilteo, SeaTac and Tukwila, have instituted this tax.

### **LOCAL OPTION REVENUES FOR HOVS AND HIGH CAPACITY TRANSPORTATION**

There are a number of local option taxes available at the local level that can be implemented with voter approval. Unlike potential revenue sources described earlier, these local tax options would be used exclusively for planning, constructing, and operating high capacity and feeder transportation systems.

### **Motor Vehicle Excise Tax (MVET)**

Additional local level MVET, to a maximum of 0.8% of the vehicle value can be levied for planning, constructing, operating HCT, commuter rail and feeder transportation systems. It is authorized for the RTA in Puget Sound and transit agencies in Thurston, Clark, Spokane and Yakima counties with voter approval.

### **Employer Tax**

A tax on employers of up to \$2 a month per employee could generate over \$3 million a year in the Clark County region for planning, constructing and operating High Capacity Transportation (HCT), commuter rail and feeder transportation systems.

### **Sales and Use Tax**

This would allow up to a 1% local sales tax option (not to exceed 0.9% where there is a 0.1% Sales and Use Tax for criminal justice) and could generate over \$38 million a year in revenue for planning, constructing and operating High Capacity Transportation (HCT), commuter rail and feeder transportation systems.

## MTP REVENUES

Historic data covering the past decade from WSDOT Economics Branch relating to revenue receipts for regional transportation improvements is used to assess revenues likely to be received for future transportation needs. Historic data is also derived from Transportation Improvement Programs (TIPs) adopted by local jurisdictions and RTC since the passage of the ISTEA as a basis for annual revenue estimates. Currently, funding is programmed in the Metropolitan Transportation Improvement Program (MTIP) through 2004.

Table 4-4 presents a summary of potential revenue that could be generated in Clark County in the next twenty years (based on 2002 \$). However, what has to be recognized is that not all the revenues generated in the County return to Clark County for distribution (see page 4-24 below).

**Table 4-4: Potential Revenues Generated in Clark County**

<b>POTENTIAL REVENUES GENERATED IN CLARK COUNTY</b>	
<b>REVENUE SOURCES:</b>	<b>MTP 21-YEARS (in Year 2002 \$)</b>
Federal (about \$23.8 million annually)	\$499,800,000
State (about \$53.3 million annually)	\$1,118,583,900
Local	\$768,911,077
Federal for Transit Capital Equipment	\$63,000,000
<b>Sub-Total</b>	<b>\$2,450,294,977</b>
<b>TRANSIT REVENUES FOR TRANSIT OPERATIONS:</b>	
Sales Tax, Fare Box Recovery, Interest	\$630,000,000
<b>TOTAL</b>	<b>\$3,080,294,977</b>

*Source: State and Federal Transportation Revenue And Expenditure Tables, By County  
1990 – 1999 (WSDOT), WSDOT Economics Branch*

## MTP COSTS

### ASSUMPTIONS

Costs of improvements to the Designated Regional Transportation System are the focus of this section. Costs of transportation improvements and projects are expressed in 2002 dollars. Capacity improvement costs, capital costs for the transit system as well as transportation system maintenance, preservation and operations costs are considered in the regional transportation planning process. Costs for regional system highway, transit, pedestrian and bicycle projects are considered in the Finance Plan as well as costs for Intelligent Transportation System, Transportation System Management improvements and Transportation Demand Management. Costs for other modes, e.g. freight rail system improvements and inter-city passenger rail, are assumed to be met at the statewide or national level or by private interests.

### SYSTEM MAINTENANCE, PRESERVATION AND OPERATIONS

Before consideration can be given to system expansion, the region needs to ensure that sufficient money is available to adequately maintain, preserve and operate the transportation system already in existence. It costs, on average, \$30.2 million annually to maintain and operate the entire highway system in Clark County.

In total, State highway maintenance costs about \$27.47 per registered vehicle per year. Some of the component maintenance costs are: \$5.52 per vehicle per year for snow and ice control, \$3.45 for pavement maintenance, \$2.49 for vegetation maintenance, \$2.25 for bridge maintenance and operations, \$2.18 for storm water management, \$1.50 for striping, marking and guidepost maintenance, \$1.11 for highway lighting, \$1.07 for rest area maintenance and operations, \$0.94 for traffic signal maintenance, \$0.88 for sweeping and cleaning, \$0.84 for roadway hazard patrol and removal, \$0.80 for sign maintenance and \$0.77 for litter control.

The annual cost of operating C-TRAN service is about \$30 million. These costs are likely to take up a greater percentage of available revenues over the twenty year period as the transportation system ages and grows. Transit operating costs are assumed to be covered by available revenues to the transit system. Projected funding for transit system operation and improvement is outlined in C-TRAN's Transit Development Program. The latest published TDP provides a review of 2001 and covers the years 2002 through 2008 and was issued in mid-2002.

### SYSTEM IMPROVEMENTS

Capital costs of the proposed improvements to the Designated Regional Transportation System are addressed in this section. In a rapidly growing region such as Clark County, there is large demand for system expansion. Projects that are near completion or are fully funded are listed in

Table 4-5 below. MTP highway system expansion and transit capital costs have been estimated at over \$917<sup>1</sup> million over the twenty-year period (see Table 4-6).

**Table 4-5: MTP Projects Under Construction and/or Fully Funded**

<b>MTP 2002 UPDATE: DESIGNATED REGIONAL TRANSPORTATION SYSTEM PROJECTS Projects Under Construction and/or Fully Funded</b>						
<b>Facility</b>	<b>Location</b>	<b>Improvements</b>	<b>Comments</b>	<b>Cost Estimate in \$'000s (Dec. 2002)</b>	<b>Un-funded in \$'000s (Dec. 2002)</b>	<b>Funded in \$'000s (Dec. 2002)</b>
Mill Plain Blvd.	SE162nd Av to 172nd Av	Widen, 2 lanes each direction with center left turn	Design to begin in 2001	\$2,670	\$0	\$2,670
Burton Rd	86th to NE 112th Av	Widen to include center left turn lane and intersection improvements	Construction to begin 2003	\$5,777	\$0	\$5,777
NE 28th Street	NE 112th to NE 142nd Av	Widen to include center left turn lane and intersection improvements (ROW + CN)	Construction to begin 2003	\$6,173	\$0	\$6,173
NE 76th St	NE 107th Av to NE 117th Av	Widen, to add center left turn lane; bike lanes; sidewalks	Construction to begin 2002	\$2,241	\$0	\$2,241
NE 76th St	NE 117th Av to NE 142nd Av	Widen, to add center left turn lane; bike lanes; sidewalks	Construction to begin 2003	\$5,490	\$0	\$5,490
Padden Parkway, west leg	NE 53rd Av (at 78th St/Padden) to NE 83rd St extending to Andresen Rd	Construct on new alignment. 2 lanes each direction with center left turn lane	Construction began 2001	\$13,512	\$0	\$13,512
Padden Parkway	I-205 to NE 94th Av	Widen, 2 lanes each direction with bike/pedestrian trail	Construction began 2002	\$6,150	\$0	\$6,150
Ward Rd	Fourth Pl (SR-500) to NE 88th St	Widen, 2 lanes each direction with center left turn lane; sidewalks; bike lanes	Under Construction, 2002 Completion	\$5,084	\$0	\$5,084

<sup>1</sup> Cost estimates for the Plan were reviewed in 2002. Credit is taken for projects which are already fully or partially funded.



<b>MTP 2002 UPDATE: DESIGNATED REGIONAL TRANSPORTATION SYSTEM PROJECTS Projects Under Construction and/or Fully Funded</b>						
<b>Facility</b>	<b>Location</b>	<b>Improvements</b>	<b>Comments</b>	<b>Cost Estimate in \$'000s (Dec. 2002)</b>	<b>Un-funded in \$'000s (Dec. 2002)</b>	<b>Funded in \$'000s (Dec. 2002)</b>
Ward Rd (N)/172nd Av	South of Davis to NE 119th St	Realign, use of 172nd Av to through traffic from NE 96th St to NE 119th St; install turn lanes	Construction to begin 2005	\$5,551	\$0	\$5,551
NE 117/119th St	Hwy 99 to 26th Av.	Realign 119th St (East of Hwy 99) with 117th St (West of Hwy 99)	Under Construction (2002)	\$6,256	\$0	\$6,256
NE 134th St	Rockwell Dr to WSU Entrance	Widen, 2 lanes each direction with center left turn lane; bike lanes; sidewalks	Construction to begin 2003	\$3,837	\$0	\$3,837
Hwy 99	NE 20th Av to NE 134th St	Re-align Hwy 99	Construction to begin 2004	\$15,350	\$0	\$15,350
Fruit Valley Rd	34th Street to Whitney Rd.	Widen to add center left turn lane; bike lanes; sidewalks	Construction to begin 2003	\$7,510	\$0	\$7,510
NE 87th Av	Mill Plain to Fourth Plain	Extension on new alignment, 1 lane each direction	Under Construction, 2002 Completion	\$6,566	\$0	\$6,566
SE 192nd Av	SR-14 to SE 34th St	Construct, 2 lanes each direction	Construction to begin 2003, end summer 2004	\$15,134	\$0	\$15,134
SE 192nd Av	SE 34th St to SE 15th St	Construct, 2 lanes each direction	Winter 2002 completion	\$4,500	\$0	\$4,500
SE 192nd Av	SE 15th St to SE 1st St	Widen, 2 lanes each direction	Summer 2003 completion	\$5,711	\$0	\$5,711
Vancouver Amtrak Station	on NW 11th Street	Rehabilitation of existing station building		\$1,354	\$0	\$1,354
<b>Totals</b>				<b>\$118,867</b>	<b>\$0</b>	<b>\$118,867</b>

**NOTE:** Project cost estimates provided in Table 4.5 are planning level cost estimates only. Cost estimates are liable to change as more detailed pre-design and design work is initiated for each of the projects. Cost estimates are reviewed in detail at each MTP update.

**Table 4-6: MTP: List of “Fiscally Constrained” Projects 2002-2023**

MTP 2002 UPDATE: DESIGNATED REGIONAL TRANSPORTATION SYSTEM PROJECTS LIST OF "FISCALLY-CONSTRAINED" PROJECTS, 2002 TO 2023					
Facility	Location	Improvements	Cost Estimate in \$'000s (Dec. 2002)	Unfunded in \$'000s (Dec. 2002)	Funded in \$'000s (Dec. 2002)
<b>Interstates</b>					
I-5	Interstate Bridge	Pre-design engineering	\$1,000	\$1,000	\$0
I-5	Salmon Creek (N. of 99th St.) to I-205	Widen, 3 lanes each direction	\$33,520	\$33,520	\$0
I-5	NE 134th Street Interchange	Diamond interchange at I-5, ramp reconfiguration at I-205, 23rd Av extension to 139th St and Park & Ride Relocation and Expansion	\$40,000	\$40,000	\$0
I-5	NE 219th St	New interchange	\$40,000	\$40,000	\$0
I-5	I-205 to 179th Street	Auxiliary lane	\$36,140	\$36,140	\$0
I-5	179th St. to 219th St.	Auxiliary lane and modify NE 179th St. Interchange	\$23,080	\$23,080	\$0
I-5	269th St.	Improve interchange	\$8,000	\$8,000	\$0
I-5	319th St.	Improve Interchange	\$13,250	\$13,250	\$0
I-205	Mill Plain Interchange vicinity	Flyover ramp to 112th Av. (Phase 1)	\$16,000	\$13,265	\$2,735
I-205	NE 18th St/Burton Rd	18th Street Ramps and frontage roads to Burton (Phase 3)	\$84,000	\$84,000	\$0
I-205	Burton Rd.	Burton Road Ramps (Phase 5)	\$20,000	\$20,000	\$0

MTP 2002 UPDATE: DESIGNATED REGIONAL TRANSPORTATION SYSTEM PROJECTS LIST OF "FISCALLY-CONSTRAINED" PROJECTS, 2002 TO 2023					
Facility	Location	Improvements	Cost Estimate in \$'000s (Dec. 2002)	Unfunded in \$'000s (Dec. 2002)	Funded in \$'000s (Dec. 2002)
I-205	SR-14 to Mill Plain	SR-14 and Mill Plain Ramp Separation (Phase 2)	\$48,000	\$48,000	\$0
I-205	SR-500	WB SR-500 to SB I-205 Flyover Ramp (Phase 4)	\$27,000	\$27,000	\$0
I-205	SR-500 to 83rd Street	Widen to 6 lanes (Phase 6)	\$22,993	\$22,993	\$0
I-205	83rd St. to 134th St.	Widen to 6 lanes, widen 83rd St. Ramps	\$45,240	\$45,240	\$0
<b>State Routes</b>					
SR-14	NW 6th Av (Camas) to 32nd St (Washougal)	Widen to 4 lanes	\$21,000	\$21,000	\$0
SR-14	I-205 to 164th Av	Widen to 6 lanes	\$28,800	\$28,800	\$0
SR-14	SR-500	New Interchange	\$13,190	\$13,190	\$0
SR-14	32nd St./27th St. vicinity	New Interchange	\$13,080	\$13,080	\$0
SR-500	at St John's Blvd	Construct Interchange	\$19,000	\$19,000	\$0
SR-500	at 42nd Av	Grade Separation	\$5,000	\$5,000	\$0
SR-500	at NE 112th Av	Construct Interchange	\$25,000	\$25,000	\$0
SR-500	at SR-503	Construct Left-turn Flyover Ramp for W-bound SR-500	\$10,009	\$10,009	\$0
SR-500	at 54th Av	Construct Interchange	\$16,000	\$16,000	\$0
SR-502	Duluth to Battle Ground (W. City Limits)	Widen, 2 lanes each direction	\$13,934	\$13,934	\$0
SR-502	Battle Ground (west city limits) to SR-503	Widen, 2 lanes each direction with center left turn lane	\$7,600	\$2,477	\$5,123

MTP 2002 UPDATE: DESIGNATED REGIONAL TRANSPORTATION SYSTEM PROJECTS LIST OF "FISCALLY-CONSTRAINED" PROJECTS, 2002 TO 2023					
Facility	Location	Improvements	Cost Estimate in \$'000s (Dec. 2002)	Unfunded in \$'000s (Dec. 2002)	Funded in \$'000s (Dec. 2002)
<b>Local Arterials</b>					
Mill Plain Blvd.	SE 172nd Av to 192nd Av	Construct 2 lanes each direction with center left turn	\$6,950	\$6,950	\$0
SE 1st St	SE 164th Av to 172nd Av	Widen, 2 lanes each direction with center left turn	\$2,000	\$2,000	\$0
SE 1st St	SE 172nd Av to 192nd Av	Widen, 2 lanes each direction with center left turn	\$8,500	\$8,500	\$0
SE 1st St/NW Lake Rd	SE 192nd Av to Leadbetter Pkwy.	Widen, 2 lanes each direction with center left turn	\$11,300	\$1,696	\$9,605
NE 18th St	NE 87th Av to NE 97th Av	Construct on new alignment. 1 lane each direction with center left turn lanes	\$6,800	\$6,800	\$0
NE 18th St	NE 97th Av to NE 138th Av	Widen to 5 lanes, 2 lanes each direction with center left turn lane and intersection improvements	\$15,824	\$13,136	\$2,688
NE 18th St	NE 138th Av to NE 162nd Av	Widen to 5 lanes, 2 lanes each direction with center left turn lane and intersection improvements	\$7,801	\$7,801	\$0
NE 28th St	NE 142nd Av to NE 162nd Av	Widen to include center left turn lane and intersection improvements	\$3,997	\$3,997	\$0
Padden Parkway	at SR-503 (117th Av)	Construct diamond interchange	\$17,046	\$17,046	\$0

<b>MTP 2002 UPDATE: DESIGNATED REGIONAL TRANSPORTATION SYSTEM PROJECTS LIST OF "FISCALLY-CONSTRAINED" PROJECTS, 2002 TO 2023</b>					
<b>Facility</b>	<b>Location</b>	<b>Improvements</b>	<b>Cost Estimate in \$'000s (Dec. 2002)</b>	<b>Unfunded in \$'000s (Dec. 2002)</b>	<b>Funded in \$'000s (Dec. 2002)</b>
NW 179th St	I-5 to NW 11th Av.	Widen, 2 lanes each direction (I-5 to NW 5th Av); 1 lane each direction (NW 5th to NW 11th Av); bike lanes; sidewalks	\$12,115	\$10,000	\$2,115
NE 179th St	NE 10th Av to NE 50th Av	Widen, 2 lanes each direction	\$16,300	\$9,850	\$6,450
NE 179th St	NE 50th Av to Cramer Rd	Widen to add center left turn lane; bike lanes; sidewalks	\$10,720	\$10,620	\$100
NE 179th St	Cramer Rd to SR-503	New Roadway, 1 lane each direction	\$5,000	\$5,000	\$0
Fruit Valley Rd	Whitney Rd. to NW 78th St.	Widen to add center left turn lane; bike lanes; sidewalks	\$12,000	\$11,519	\$481
Main St	6th St to Mill Plain	Convert to 2-way traffic	\$3,818	\$3,818	\$0
St John's	NE 50th Av to NE 72nd Av	Widen, 2 lanes each direction with center left turn; bike lanes; sidewalks	\$12,400	\$2,500	\$9,900
NE 72nd Av	St. John's to south of NE 99th St	Widen to accommodate I-205 traffic	\$6,900	\$3,715	\$3,185
NE 112th Av	Mill Plain/Chkalov to NE 28th St	Widen, 2 lanes each direction with CLT; intersection improvements	\$7,300	\$7,300	\$0
NE 112th Av	at NE 49th St	Intersection Improvements	\$400	\$400	\$0
SE 162nd Av	NE 39th St to Ward Rd	Widen, 2 lanes each direction with center left turn lane	\$11,300	\$3,375	\$7,925
SE 192nd Av	SE 1st St to NE 18th St	Widen, 2 lanes each direction	\$5,048	\$5,048	\$0

MTP 2002 UPDATE: DESIGNATED REGIONAL TRANSPORTATION SYSTEM PROJECTS LIST OF "FISCALLY-CONSTRAINED" PROJECTS, 2002 TO 2023					
Facility	Location	Improvements	Cost Estimate in \$'000s (Dec. 2002)	Unfunded in \$'000s (Dec. 2002)	Funded in \$'000s (Dec. 2002)
NE 18th St	NE 162nd to NE 192nd Av	Widen to 5 lanes, 2 lanes each direction with center left turn lane and intersection improvements (subject to 18th St Corridor Study results)	\$9,800	\$9,800	\$0
NE 139th St	NE 20th Av to NE 10th Av	Over-crossing of I-5 freeway (part of the I-5/134th St. interchange re-design)	\$10,000	\$10,000	\$0
NE 76th St	NE 94th Av to NE 107th Av	Widen, bike lanes and sidewalks	\$5,700	\$5,700	\$0
Highway 99	NE 99th Street to NE 117th Street	Bike lane and sidewalk added to existing 2 lanes each direction w/turn lane	N/A	N/A	N/A
Highway 99	South RR Bridge to NE 63rd Street	2 lanes each direction, w/turn lane, bike lane and sidewalk	\$3,800	\$3,800	\$0
<b>Transit Projects</b>					
C-TRAN	99th Street Park & Ride	Construct Park and Ride	\$4,251	\$0	\$4,251
C-TRAN	7th Street Transit Facility	Improve 7th Street Transit Facility	\$1,500	\$1,350	\$150
C-TRAN	65th Street C-TRAN Facility	Expand maintenance and operations facility	\$30,000	\$30,000	\$0
C-TRAN	I-205/Padden Parkway	New Central County Transit Center	\$11,900	\$11,900	\$0
C-TRAN	SR-14/164th Av.	Expand current facility	\$2,900	\$2,900	\$0
C-TRAN	Van Mall	Expansion of current facility	\$1,650	\$1,650	\$0
C-TRAN	I-5/219th St.	New Park and Ride Lot	\$14,000	\$14,000	\$0
C-TRAN	18th St./138th Av.	Expand current facility	\$14,200	\$14,200	\$0
C-TRAN	Washougal	New Washougal Park and Ride facility	\$6,000	\$6,000	\$0

<b>MTP 2002 UPDATE: DESIGNATED REGIONAL TRANSPORTATION SYSTEM PROJECTS LIST OF "FISCALLY-CONSTRAINED" PROJECTS, 2002 TO 2023</b>					
<b>Facility</b>	<b>Location</b>	<b>Improvements</b>	<b>Cost Estimate in \$'000s (Dec. 2002)</b>	<b>Unfunded in \$'000s (Dec. 2002)</b>	<b>Funded in \$'000s (Dec. 2002)</b>
<b>Intelligent Transportation System (ITS)</b>					
County Wide	Interstate, Highways, Arterials and Transit	ITS	\$45,000	\$42,100	\$2,900
<b>TOTAL</b>			<b>\$975,056</b>	<b>\$917,449</b>	<b>\$57,608</b>

The I-5 Transportation and Trade Partnership addressed bi-state transportation needs and published a list of recommendations in June 2002. The recommendations are incorporated into the Strategic Plan component of this MTP update but recommended projects are not yet included in the "fiscally-constrained" MTP (see Strategic Plan description in MTP Appendix C).

A Summary of Costs of transportation system needs is presented in Table 4-7 below.

**Table 4-7: Projected Costs of MTP Transportation System Needs**

<b>PROJECTED COSTS OF MTP TRANSPORTATION SYSTEM NEEDS</b>		
	<b>COSTS</b>	
<b>Transportation System Component</b>	<b>Annual Cost</b>	<b>MTP 21-YEARS (in Year 2002 \$)</b>
<b>HIGHWAYS</b>		
Total Highway Maintenance and Preservation	\$30,000,000	\$630,000,000
Regional Highway and Transit Capital Costs	\$3,000,000	\$903,000,000
Transportation Demand Management	\$2,000,000	\$42,000,000
Transportation System Management	\$2,000,000	\$42,000,000
Pedestrian and Bicycle Projects	\$4,000,000	\$84,000,000
<b>Sub-Total</b>		<b>\$1,701,000,000</b>
<b>TRANSIT OPERATIONS</b>		
Transit Operations	\$30,000,000	\$630,000,000
<b>TOTAL</b>		<b>\$2,331,000,000</b>

## CONSISTENCY BETWEEN MTP AND STATE SYSTEMS PLAN AND LOCAL PLANS

All recommended projects contained within the MTP are consistent with State and local plans. The *MTP* financial plan is required by the federal government to be “fiscally constrained”. The MTP includes state projects identified in the State Highway System Plan, 2003-2022 (February, 2002). However, the State’s Highway System Plan identifies transportation needs beyond the revenue levels currently available for regional transportation uses identified in this MTP.

## REVENUES AND COSTS

ISTEA requires that the *MTP* be “fiscally constrained”; there must be a balance between forecast revenues and costs of identified transportation system improvements. With limited revenues available for funding transportation improvements, the most cost-effective transportation solutions must be identified and selected. The analysis of needs and revenues presented in local Growth Management Act (GMA) plans, the *2003-2022 State Highway System Plan*, and *Metropolitan Transportation Improvement Program (MTIP) 2002-2004* are used as the basis for its financial plan. Both state and local transportation planning processes are required to exercise fiscal responsibility in preparing transportation finance plans. The GMA requires that local jurisdictions prepare a Capital Facilities Plan (CFP) element that includes transportation projects.

In comparing Table 4-4 (revenues generated) with Table 4-7 (costs) it appears that Clark County will be able to meet funding needed for its transportation system. However, Clark County is a ‘donor’ region as the region collects more in transportation taxes and fees than it receives back in transportation revenues. Over the past ten years, 1990 to 1999, the Clark County region has generated \$770.6 million in state and federal transportation revenues<sup>2</sup> and has received back only \$536.2 million to use in funding transportation system improvements. This amounts to a ratio of 0.70 and a difference of \$234.5 million over ten years. The Revenues Distributed data presented in Table 4-8 below anticipates a better return on the dollar to Clark County in the future.

**Table 4-8: Projected Revenue Distributions to Clark County**

<b>PROJECTED REVENUE DISTRIBUTIONS TO CLARK COUNTY</b>	
<b>REVENUES DISTRIBUTED:</b>	<b>MTP 21-YEARS (in Year 2002 \$)</b>
Federal (80% return of generated revenues))	\$399,000,000
State (77% return of generated revenues))	\$861,000,000
Local (49% revenues used for regional projects)	\$378,000,000
Transit Federal for Capital Equipment	\$63,000,000
<b>Sub-Total</b>	<b>\$1,701,000,000</b>
<b>TRANSIT OPERATIONS</b>	
Sales Tax, Fare Box Recovery, Interest:	\$630,000,000

<sup>2</sup> From Motor Vehicle Fuel Tax, Motor Vehicle Licenses, Permits, Fees, Transportation Related MVET.



The financial analysis presented in this MTP assumes revenues and costs in 2002 dollars. This method has advantages in that the methodology is straightforward, but has drawbacks in that inflation is not considered in the analysis. However, the inflation factor has an impact on both the revenues and costs sides of the equation. On the revenues side, gas taxes do not keep pace with inflation. The \$0.23/gallon fuel tax set in 1991 now generates about \$.16/gallon in purchasing power due to inflationary construction costs. On the project costs side, the longer a project is deferred the more expensive it will be. Another problem that the transportation sector faces is that although the federal government authorizes transportation dollars at a certain level, the actual appropriation for their use is at a lower level.

In funding the transportation system, revenues have to be allocated to project or operating costs based on funding eligibility requirements. For example, the 18<sup>th</sup> Amendment to the Washington State Constitution dedicates motor fuel tax proceeds to “highway purposes”. Also, projects and/or operating costs have to fit the revenue program rules. The funding of large highway construction projects, such as adding freeway lanes, improving intersections and constructing new freeway interchanges, almost always involves a mix of city, county, state and federal revenue sources which must be packaged together in order to move forward with a particular project.

The type of project and the jurisdiction who owns the roadway (interstate, state highway, local/regional arterial) are often good indicators for how the transportation project is funded. Roadway operations, maintenance and preservation are usually funded locally through an annual budget process. Projects that add system capacity, such as adding lanes on street arterials, state highways, or on the interstate system, will most likely involve multiple sources and may include various competitive grant programs.

## **FUNDING STRATEGIES**

There are some strategies open to the region for seeking new revenue sources. A statewide funding measure, Referendum-51, which included provision for raising the rate of gas tax failed to gain a majority in November 2002. The concept of regionalism is also being discussed in Washington state to allow regions to raise funding for their own regional projects. State Senate Bill 6140 authorized the establishment of Regional Transportation Investment Districts. The introductory section of the bill states: “The state cannot by itself fund in a timely way many of the major capacity improvements required on highways of statewide significance...Timely construction and development of significant transportation improvement projects can best be achieved through enhanced funding options for governments at the county and regional level...”. At this time, the regionalism legislation only provides this option for the counties in the Puget Sound area.

There is also need to provide for new revenue sources for transit if current service levels are to be maintained or if additional service is desired. In November 2002, the C-TRAN Board voted to pursue additional sales tax funding. The proposal is to go to voters in either November 2003 or 2004 and ask for an increase in the sales tax rate from 0.3% to either 0.6% or the maximum 0.9%.

As explained below Clark County is a ‘donor’ region as the region collects more in transportation taxes and fees than it receives back in transportation revenues. As a significant urban area in Washington State, this region can expect to continue as a ‘donor’ region but if the ratio of collections to distributions changes in Clark County’s favor, this could have a significant impact on the ability to fund transportation system improvements in this region.

## **FISCAL CONSTRAINT AND THE MTP**

The MTP for Clark County represents a fiscally-constrained transportation Plan in that projected revenues appear to be available in the twenty-year time horizon to meet the estimated cost of designated regional transportation system projects<sup>3</sup> (in 2002 dollars) listed in Appendix A. The financial outlook can change if cost estimates for certain projects are increased and/or if projected revenues increase or decrease. The objective of making most efficient use of limited transportation dollars motivated RTC to conduct a 2001 review of the transportation project prioritization process that was first carried out in 1998. The rationale for the prioritization process was that if the region could agree on top priorities, medium term priorities and longer term priorities, then the region could advance those top priority projects for statewide competitive funding. It was felt that projects that have the top priority support of the whole region may be able to more successfully compete for funds. The process focussed largely on prioritization of regional highway capacity expansion projects. These are the type of projects for which dollars are most difficult to obtain because policy is to ensure the maintenance and preservation of the existing system before funds can be allocated to system expansion. The 2001 Prioritization Process is outlined in Chapter 5 of the MTP and the list of prioritized projects appears in the MTP Appendix A.

The Clark County region does have additional transportation needs beyond those improvements addressed in the “fiscally-constrained” MTP. Projects to meet these needs cannot be incorporated into the Plan at this time as there are insufficient revenues projected to be available for their construction and/or implementation. Some of these projects are outlined in the 2003-2022 Washington State Highway System Plan. Also, I-5 Partnership recommendations are incorporated into the MTP Strategic Plan included in the MTP Appendix.

The Clark County region is faced with addressing transportation revenue issues if the transportation demands of the region are to be met. It has been 11 years since any increase in the gas tax rate yet gas taxes do not keep pace with inflation. The public transportation system needs to find additional revenue sources to recoup the revenues lost when the MVET was repealed in 1999. The alternative is to face reduced levels of transit service in the region. 2003 marks the last year of the current federal Transportation Act. Funding levels in the new Act are not yet known. In addition to revenue issues, finance considerations have to account for cost estimates that may increase as the full extent of work and funding necessary to fulfill certain projects is realized.

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<sup>3</sup> Regional projects include all state transportation facilities, principal arterials and some minor arterials. Local projects (remainder of the minor arterial system, collectors and local roads) are not included in the MTP's detailed fiscal analysis.